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CEASE AND DESIST: FINDING AN EQUITABLE SOLUTION IN TRADEMARK DISPUTES BETWEEN HIGH SCHOOLS AND COLLEGES

Abstract: In 2010, Florida State University told Southeast High School in Bradenton, Florida that they could no longer use the “Seminoles” nickname and logos that the schools have both been using for over fifty years. Unlike many trademark disputes between collegiate institutions and high schools though, Southeast High School refused to “cease and desist” claiming that they were not infringing on Florida State’s trademarks. Eventually, the case settled before litigation, but the University’s assertion of trademark rights against a high school in the same state highlights a growing trend of aggressive trademark protection by collegiate institutions. This Note discusses the development of trademark law with relation to universities, examines the rise of the collegiate merchandising right, and analyzes trademark disputes between high schools and colleges and how a court would likely rule on such a dispute.

INTRODUCTION

In the summer of 2010, the relationship between Florida State University and Southeast High School became national news when the University threatened to file suit against the high school over alleged trademark infringement.¹ Despite decades of cooperation between the schools, Florida State asserted that the high school was infringing on the University’s trademarked “Seminole” logo.² The resulting media coverage brought the recent proliferation of trademark disputes between high schools and colleges into the spotlight.³ Unlike many of these disputes, however, in this case, Southeast High School chose to fight back, asserting that they had just as much a right to the Seminole

¹ See Adam Himmelsbach, *Colleges Tell High Schools Logos Are Off Limits*, N.Y. TIMES, Nov. 27, 2010, at A1; see also Anthony Cormier, *It’s an Awesome Logo. Now Change It.*, SARASOTA HERALD-TRIB., Aug. 26, 2010, at A1.

² See Editorial, *Seminole War and Peace*, SARASOTA HERALD-TRIB., Aug. 27, 2010, at A12. Southeast High School has routinely sent its top students and student athletes to Florida State, including a former two-time all-American football player, Peter Warrick. See *id.*

³ See Himmelsbach, *supra* note 1, at A1 (discussing specific instances of trademark disputes between high schools and colleges that have recently emerged).

logo as Florida State.⁴ Ultimately, the stance was effective; Florida State settled with Southeast, allowing the high school to continue using the Seminole logo at a reasonable cost.⁵

Although these disputes often generate negative press, it is not unusual for a collegiate institution to assert its trademark rights against a high school through a Cease and Desist Letter (“C&D letter”).⁶ Typically, a C&D letter asserts that the sender of the letter owns a trademark, and that the receiver is violating the rights of that trademark; further, the letter sets forth the legal claims being made.⁷ Additionally, the letter asks that the offending institution terminate usage of all trademarks claimed by the owner.⁸ Often, the collegiate institution claims that failure to protect against potential infringement could result in the loss of their trademark.⁹

Upon receiving a C&D letter, a high school is often forced to decide between termination or litigation.¹⁰ On the one hand, termination, although not inexpensive, provides cost-certainty and the assurance of finality.¹¹ On the other hand, the uncertainty in cost, duration, and finality of litigation often forces a high school to abandon any

⁴ See Himmelsbach, *supra* note 1, at A1; see also Anthony Cormier, *Southeast Seminoles Standing Fast*, SARASOTA HERALD-TRIB., Aug. 27, 2010, at BN3 (reporting that Southeast High School would not change their logo despite the insistence of Florida State and the Collegiate Licensing Company that the high school’s logo was infringing on federally and state protected trademarks).

⁵ See Alan Dell, *Southeast, FSU Reach Deal on Noles Logo*, BRADENTON HERALD (Nov. 13, 2010), <http://www.bradenton.com/2010/11/13/2735256/southeast-fsu-reach-deal-on-noles.html> (reporting the final agreement between the two schools).

⁶ See Himmelsbach, *supra* note 1, at A1; see also Letter from Univ. of Iowa to Murietta Valley High Sch. (Oct. 27, 2010) [hereinafter Iowa Letter], available at http://www.pe.com/multimedia/pdf/2010/20101119_slogo.pdf.

⁷ See Deborah A. Wilcox, *Resist Cease and Desist*, BUS. L. TODAY, June 15, 2006, at 27.

⁸ See *id.*; see also Iowa Letter, *supra* note 6 (asking Murietta Valley High School to terminate use of the asserted trademarks).

⁹ See Iowa Letter, *supra* note 6 (discussing the fear of losing a trademark as a reason for the letter); see also Jim Halley, *High Schools Cash in on Logos, Clash with Colleges*, USA TODAY (Dec. 6, 2010), http://www.highschoolsports.net/sports/preps/2010-12-06-high-school-logos-trademark_N.htm (discussing the increasing frequency of these disputes).

¹⁰ See Wilcox, *supra* note 7, at 28–29 (discussing the alternatives upon receiving a C&D Letter); see also Cormier, *supra* note 4, at BN3 (reporting that Southeast High School would rather take their chances in litigation than stop using the Seminoles logo).

¹¹ See Himmelsbach, *supra* note 1, at A1 (reporting that it would cost Glades Day High School in Florida over 60,000 dollars to change their logos); see also *School to Stop Using Dodge-Like Ram’s Head Logo*, NPR (Feb. 16, 2010), <http://www.npr.org/templates/story/story.php?storyId=123781334> [hereinafter Block Interview] (transcript of interview by Melissa Block with Michael Kotki, Principal of Lake Mary’s High School) (estimating the cost of replacing a gymnasium floor at 15,000 dollars because the floor had a disputed logo in the center).

claims to the trademark at question.¹² Furthermore, a collegiate institution has very little to lose in asserting trademark rights against a high school, and the high school has little to gain in a lawsuit other than continuing to use that mark.¹³ In these disputes, a university can gain acknowledgement and demonstrated control of trademark rights, whereas the best case for a high school is to maintain the status quo—using the logos, nicknames, and other identifying insignias at no cost.¹⁴

The practical consequence of this unequal bargaining power between collegiate institutions and high schools is that both parties presume that the collegiate institutions are correct in asserting their trademark rights, and that the high schools are infringing on those rights.¹⁵ This prevalent presumption, however, has never been validated in court.¹⁶ Despite significant successes against small businesses, collegiate institutions have never litigated a trademark dispute against a high school defendant.¹⁷ Applying the standards that most Courts use in analyzing trademark disputes, it is less than clear that a collegiate institution could prevail against a high school defendant in such a suit.¹⁸

¹² See Tom Abrahams, *Local High School Forced to Change Logo in Dispute with University*, KTRK-TV (July 13, 2007), <http://abclocal.go.com/ktrk/story?section=news/local&id=5478603> (reporting that Woodlands High School changed their logo to avoid further action from the University of Wisconsin).

¹³ See Dennis Read, *Is Your Logo Safe?*, ATHLETIC MGMT. (Aug./Sept. 2005), <http://www.momentummedia.com/articles/am/am1705/logo.htm> (discussing the potential risks for high schools in using marks that universities claim are protected by federal trademark law). Although a university stands to gain the acknowledgement and demonstrated control of trademark rights, a high school's best case scenario is maintaining their status quo by not paying anything to the university and keeping their logos, nicknames, and other identifying insignias. See *id.*

¹⁴ See *id.*

¹⁵ See James Gibson, *Risk Aversion and Rights Accretion in Intellectual Property Law*, 116 YALE L.J. 882, 907–27 (2007) (discussing the presumption of rights in trademark disputes for the senior user and the eventual acceptance by the junior user regardless of legal doctrine).

¹⁶ Halley, *supra* note 9 (reporting that there is no known instance of a trademark dispute between high schools and colleges being decided in court).

¹⁷ See Leah Chan Grinvald, *Shaming Trademark Bullies*, 2011 WIS. L. REV. 625, 632–42 (discussing the expansion of trademark rights as a result of the continued assertion by trademark owners); see also Halley, *supra* note 9 (quoting an industry expert who notes that these disputes have never actually been litigated).

¹⁸ See *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961) (describing eight separate factors that the court used in analyzing a trademark dispute); see also Cormier, *supra* note 4, at BN3 (reporting that local legal experts feel that the high school could prevail if the case ended up in court, and noting that Florida State was more cordial after the high school decided to fight back).

This Note analyzes trademark disputes between colleges and high schools and argues that, to create equitable settlements that benefit both parties, there should not be a presumption favoring collegiate institutions.¹⁹ Part I provides an introduction to trademark law, and focuses specifically on how courts analyze trademark disputes.²⁰ Part II discusses the link between the increased popularity of collegiate athletics and the rise of collegiate trademark rights.²¹ Part III highlights the positive case law that has fueled a quarter-century of expansion and assertion of collegiate trademark rights.²² Part IV then uses the often cited *Polaroid* factors to analyze a dispute between a high school and college, and argues that collegiate institutions may be asserting more rights than they could actually claim against a high school defendant.²³ Finally, Part V argues that since the outcome of a lawsuit is unclear, both collegiate institutions and high schools should rethink their positions, and this Note ultimately proposes a uniform settlement that would benefit both collegiate institutions and high schools.²⁴

I. THE BEGINNING OF COLLEGIATE TRADEMARK PROTECTION

The primary purpose of trademark law is to protect consumers from confusion as to the origin and source of goods in the marketplace.²⁵ Unlike a patent or copyright, trademark rights only arise when a protected mark is used in connection with the sale of goods and services and the public recognizes those marks as establishing the origin of those goods and services.²⁶ For this reason, collegiate trademark rights are directly tied to the increased popularity of collegiate athletics and the subsequent increase in merchandising and other revenue streams for universities.²⁷ After collegiate institutions realized the consumer

¹⁹ See Gibson, *supra* note 15, at 919–20 (arguing that trademark users should not assume a presumption of rights by another party solely based on the actions of other users in similarly situated circumstances); see also *infra* notes 25–273 and accompanying text.

²⁰ See *infra* notes 25–86 and accompanying text.

²¹ See *infra* notes 87–123 and accompanying text.

²² See *infra* notes 124–156 and accompanying text.

²³ See *infra* notes 157–228 and accompanying text.

²⁴ See *infra* notes 229–273 and accompanying text.

²⁵ See 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §§ 2.1–.2 (4th ed. 2011) (discussing the primary purpose of general trademark protection and the effect of the Federal Trademark Act of 1946).

²⁶ See MARY LAFRANCE, UNDERSTANDING TRADEMARK LAW § 1.01 (2d ed. 2009).

²⁷ See Jack Revoyr, *Non-definitive History of Collegiate Licensing*, 88 TRADEMARK REP. 370, 378–80 (1998) (noting that colleges were unsure to what extent they were even allowed to protect their name much less other identifying marks before the explosion of the market for college merchandise).

market for official merchandise and apparel, universities moved to protect their nicknames, logos, and other emblems to receive legal protection from potential competitors.²⁸ Over the past quarter-century, colleges and universities have discovered that through control of their own trademark rights they can gain exclusive rights that allow them to control most if not all merchandise associated with their marks to create significant revenue.²⁹ This Part explores the basis for collegiate institutions' trademark protection, the establishment of trademarks, and potential causes of actions for trademark infringement.³⁰

A. *The Lanham Act and Federal Trademark Protection*

Before 1946, trademark protection was provided by a patchwork of state law and federal statutes, which created "judicial obscurity," resulting in a muddled framework for decisions concerning the rights of trademark owners.³¹ That obscurity, along with an increasing nationalization of the American economy, led Congress to conclude that the development of common law on a state-by-state basis no longer adequately protected consumers and producers.³² The resulting legislation was the Federal Trademark Act of 1946, more commonly known as the Lanham Act.³³

The Lanham Act provides the federal basis for collegiate institutions' assertion of trademark rights.³⁴ The Lanham Act not only adopted most common law elements of trademark protection at the time, it also expanded and extended the rights of trademark owners by adding new elements to further protect against unfair competition.³⁵ Consequently, collegiate institutions, most notably those with nationally

²⁸ See *id.* at 385–87 (analyzing the confusion and divergence in strategies in registering different names and marks amongst collegiate institutions).

²⁹ See *id.*; see also *infra* notes 87–123 and accompanying text.

³⁰ See *infra* notes 31–86 and accompanying text.

³¹ See I McCARTHY, *supra* note 25, § 5.4 (quoting the Senate Committee on Patents argument that new legislation was needed to provide a comprehensive federal scheme to ensure efficient resolutions of trademark infringement cases).

³² See *id.* (noting the Congressional intent to place all substantive law regarding trademarks into one statute to combat rising concerns over fraud and misrepresentation of goods to consumers and the misallocation of goodwill to producers).

³³ See Trademark Act of 1946 ("Lanham Act"), ch. 540, 60 Stat. 427 (codified as amended in scattered sections of 15 U.S.C.).

³⁴ See 15 U.S.C. §§ 1114, 1127 (2006); see also John Grady & Steve McKelvey, *Trademark Protection of School Colors: Smack Apparel and Sinks Decisions Trigger Colorful Legal Debate for the Collegiate Licensing Industry*, 18 J. LEGAL ASPECTS SPORT 207, 211 (2008).

³⁵ See RESTATEMENT OF UNFAIR COMPETITION (THIRD) § 9(e) (1995) (clarifying the purposes and innovations of the Lanham Act when it was passed).

recognized athletic programs, are now able to use both state and federal protection to prevent infringement.³⁶

The Lanham Act has evolved into a comprehensive body of federal trademark law.³⁷ The Act defines a trademark as “any word, name, symbol, or device, or any combination thereof” that is used by the owner of the mark to distinguish the owner’s goods in the marketplace.³⁸ Since the Act’s passage, judicial interpretation has extended the definition of trademarks to include brand names, shapes, and even color schemes.³⁹ This expansion has been even more significant in the protection of collegiate trademarks and licensing rights; almost all decisions have been in favor of universities.⁴⁰ Although the intended purpose of the Act was to protect both buyers and sellers from misrepresentation and fraud, the effective results were to implement a comprehensive national trademark policy and establish a federal cause of action for trademark infringement.⁴¹

In interpreting the Lanham Act, courts have recognized that trademarks serve three important, protection-worthy functions; first, they identify and distinguish goods; second, they guarantee the quality of all goods related to that particular trademark; and third, they advertise and sell.⁴² The Lanham Act protects these functions by providing trademark owners a cause of action under federal law.⁴³

B. *Establishing Trademark Rights Under the Lanham Act*

Unlike other intellectual property rights that serve to limit competition, like patents, trademarks are meant to encourage competition by

³⁶ See Grady & McKelvey, *supra* note 34, at 209–11 (noting suits brought by college institutions at both the federal and state level).

³⁷ See 1 McCARTHY, *supra* note 25, § 5:4.

³⁸ 15 U.S.C. § 1127; see also JANE C. GINSBURG ET AL., TRADEMARK AND UNFAIR COMPETITION LAW 84 (4th ed. 2007) (noting that within these meanings, trademarks can mean phrases, brand names, and other terms such as trade dress which includes the colors and packaging schemes of certain products).

³⁹ See *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 174 (1995) (holding that a color may meet all necessary standards to serve as a trademark); see also *Univ. of Ga. Athletic Ass’n v. Laite*, 756 F.2d 1535, 1547 (11th Cir. 1985) (holding that the University of Georgia’s mascot, an English Bulldog, helped create a distinctive mark); see also Michael Grynberg, *The Judicial Role in Trademark Law*, 52 B.C. L. REV. 1283, 1283–84 (2011) (noting that parts of the Lanham Act require judicial interpretation which has continued to develop trademark law).

⁴⁰ See *infra* notes 126–156 and accompanying text.

⁴¹ See 1 McCARTHY, *supra* note 25, § 5:4 (noting the Congressional concern to protect both the public and producers from misrepresentation through deceitful practices).

⁴² See *id.*

⁴³ See 15 U.S.C. §§ 1051–1141 (2006 & Supp. IV 2010).

allowing a producer to distinguish its goods in the market.⁴⁴ By distinguishing goods, trademarks both encourage the production of quality products by the trademark holder and allow the customer to make more informed and efficient decisions in the marketplace.⁴⁵ Accordingly, under the Lanham Act, only an owner using the mark in commerce by offering goods or services to the public may establish trademark rights.⁴⁶ This distinction means that using a mark merely as a representation of an organization or as an advertisement is not sufficient to create trademark rights.⁴⁷ Likewise, this distinction prevented collegiate institutions from developing trademark rights until they started offering merchandise bearing universities marks.⁴⁸

Section 1052 sets forth the standards required for registering a trademark federally.⁴⁹ For although the Lanham Act provides protection for state-registered trademarks, federal registration extends trademark owners' rights by giving the trademark exclusivity throughout the U.S. for as long as the mark is being used.⁵⁰ For collegiate institutions, that exclusivity right is the basis of many legal assertions made in the letters sent to high schools.⁵¹ Furthermore, proof of a federally registered trademark serves as prima facie evidence of the owner's exclusive right to the mark, thus making it much easier to protect.⁵²

Although section 1052 provides a broad standard for what can be registered as a trademark, the strength of a mark and the level of pro-

⁴⁴ See Blake R. Bertagna, *Poaching Profits: An Examination of the Ability of a Trademark Owner to Recover Infringer's Profits Under the Lanham Act as Amended in 1999*, 16 TEX. INTELL. PROP. L.J. 257, 261–62 (quoting Congressman Fritz Lanham's persuasive speech for the passage of the Lanham Act by stating that trademarks are "the essence of competition").

⁴⁵ See 1 MCCARTHY, *supra* note 25, § 2.3 (discussing the economic theory that trademarks help promote efficiency in a free-market economy).

⁴⁶ See LAFRANCE, *supra* note 26, § 2.04 (discussing the distinction between merely using a mark during the course of doing business and actually providing good or services that are associated with a trademark).

⁴⁷ See *id.* § 2.04 [B][1] (distinguishing activities that do not create trademark rights for an owner of a mark merely by using the mark).

⁴⁸ See *id.*; see also *infra* notes 87–123 and accompanying text (outlining the history and rise of the collegiate merchandising and licensing).

⁴⁹ See 15 U.S.C. § 1052 (2006); see also LAFRANCE, *supra* note 26, § 1.05 (noting the process that trademarks and service marks are registered through the Principle Register of the Patent and Trademark Office).

⁵⁰ See Robert Lattinville, *Logo Cops: The Law and Business of Collegiate Licensing*, 5 KAN. J.L. & PUB. POL'Y 81, 82–83 (1996).

⁵¹ See Iowa Letter, *supra* note 6 (stating that all marks that resemble those that are federally registered by the university may not be used by other schools even if they are unaware that such marks are registered).

⁵² 15 U.S.C. § 1114; see Grady & McKelvey, *supra* note 34, at 212 (highlighting the extended protection that section 1114 gives to a federally registered trademark holder).

tection that it receives are based on its distinctiveness.⁵³ To determine whether a trademark is distinctive, courts have classified trademarks into four categories: arbitrary and fanciful, suggestive, descriptive, and generic.⁵⁴ Trademarks that fall within the first two categories are considered inherently distinctive and therefore they can be registered without showing a secondary meaning.⁵⁵ On the other hand, descriptive marks are only protectable if they have acquired a secondary meaning, or more specifically, “a mental recognition in buyers’ and potential buyers’ minds that the products connected with” the trademark are from or are associated with the same source.⁵⁶

Whether a trademark has acquired a secondary meaning is an especially important element in analyzing many universities’ trademark claims.⁵⁷ Many collegiate institutions, such as the University of Iowa or Florida State University, use their geographic location or regional origin in their trademarks.⁵⁸ The geographic term, Iowa or Florida, is merely a description of where the universities are located, and without a secondary meaning attached to the type of products being offered, the universities would be unable to register these as trademarks within the Lanham Act.⁵⁹ Yet, in 1983, in *University of Pittsburgh v. Champion Products, Inc.*, the U.S. District Court for the Western District of Pennsylvania found that the University of Pittsburgh had a secondary meaning with regards to some products but not necessarily with the goods that were

⁵³ See 15 U.S.C. § 1052 (providing an explanation as to what types of trademarks can be registered); see also Lattinville, *supra* note 50, at 82–83 (discussing what constitutes a distinctive trademark and the greater protection afforded more distinctive marks); Charles T. Munger, Vice-Chairman, Berkshire Hathaway, An Informal Talk: Practical Thought About Practical Thought (July 20, 1996), in POOR CHARLIE’S ALMANACK: THE WIT AND WISDOM OF CHARLIE MUNGER 280–97 (Peter D. Kaufman ed., 3d ed. 2008) (analyzing the rise and staying power of Coca-Cola based on the distinctiveness of their trademark).

⁵⁴ See *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9–11 (2d Cir. 1976) (discussing the differences between the four categories of marks and holding that the word “Safari” could fit into more than one category depending on what type of product the word was describing).

⁵⁵ LAFRANCE, *supra* note 26, § 2.07[A]. The strongest marks in terms of distinctiveness are fanciful or arbitrary marks. *Id.* § 2.07[A][1]. Nike’s “Swoosh” or the “Clorox” brand are both examples of arbitrary marks that use words in common usage that do not have any connection to the products they are attached to. *Id.*; Lattinville, *supra* note 50, at 83. Suggestive marks are considered less strong than arbitrary but remain distinctive because of they do not directly describe the products they are attached. See LAFRANCE, *supra* note 26, § 2.07[A] [2].

⁵⁶ See *Levi Strauss & Co. v. Blue Bell, Inc.*, 632 F.2d 817, 820 (9th Cir. 1980) (finding that a basic element of secondary meaning is the impression in a buyer’s mind).

⁵⁷ See Lattinville, *supra* note 50, at 83–84.

⁵⁸ See *id.*

⁵⁹ See *id.*

being offered.⁶⁰ As a result, when a university claims trademark infringement, a vital question becomes whether the symbols are used in such a way that a consumer would connect the marks to the University.⁶¹

C. Asserting Federal Trademark Protection

Originally, if a university established a trademark, it had two federal causes of action under the Lanham Act.⁶² The first, under section 1114, establishes a claim for infringement based on the likelihood of confusion due to the defendant's use of the owner's registered mark.⁶³ The second, under section 1125, allows a non-registered trademark owner to file an unfair competition suit by establishing that the prohibited activities affect interstate commerce.⁶⁴ In 1996, Congress amended the act to include a third potential cause of action: "anti-dilution."⁶⁵ The purpose of the amendment was to protect trademark owners from unauthorized uses of their marks that could potentially devalue their marks' reputation even without the likelihood of confusion.⁶⁶ In C&D letters, collegiate institutions often assert claims both for the likelihood of confusion and the potential for dilution.⁶⁷

I. Confusion

Section 1114 provides the most significant protection for a federally registered trademark owner by providing a cause of action against

⁶⁰ See 566 F. Supp. 711, 717 (W.D. Pa. 1983).

Although there may be some evidence in the record which would tend to suggest that the Pitt insignia [has] taken on a secondary meaning for the provision of educational and athletic services, there is simply no evidence that the Pitt insignia ever have had a secondary meaning for soft goods.

Id. The Court highlighted that the University of Pittsburgh had not previously produced goods in the marketplace bearing the trademarked symbols and therefore merchandise like tee shirts had yet to develop a reputation in the marketplace. See *id.* at 717–19.

⁶¹ See *Latinville*, *supra* note 50, at 83–84.

⁶² 15 U.S.C. §§ 1114, 1125 (2006) (establishing a cause of action for unfair competition and a cause of action for reproduction of goods where such use of the trademark is likely to deceive).

⁶³ See 15 U.S.C. § 1114.

⁶⁴ See *id.* § 1125; see also *Latinville*, *supra* note 50, at 84.

⁶⁵ The Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, § 3(a), 109 Stat. 985, 985 (1996); see also *LaFrance*, *supra* note 26, § 1.05[B][1] (discussing the enactment of the Dilution Doctrine under the 1996 Amendment to the Lanham Act).

⁶⁶ 15 U.S.C. § 1125(c).

⁶⁷ See *Iowa Letter*, *supra* note 6 (noting that trademark owners must protect against dilution).

any person who, without the owner's consent, uses a registered trademark in any way that is likely to cause confusion.⁶⁸ Courts, when assessing a trademark infringement claim use a two-step analysis: first, a plaintiff must establish a valid and enforceable trademark, and second, the plaintiff must show that the mark was used in a way that is likely to confuse consumers as to the source of the products.⁶⁹

To determine whether a defendant's use of a registered mark is likely to cause confusion, courts have developed various multi-factor tests.⁷⁰ For example, in the U.S. Court of Appeals for the Second Circuit, the court considers eight independent factors.⁷¹ Known familiarly as the *Polaroid* factors, these eight elements include: (1) strength of senior mark, (2) similarity of marks, (3) proximity of parties, (4) likelihood prior owner "will bridge the gap," (5) evidence of actual confusion; (6) intent of the defendant, (7) quality of the defendant's product, and (8) buyer's sophistication.⁷² The factors are all weighed in assessing whether the defendant infringed upon the plaintiff's trademark rights.⁷³ As result of the *Polaroid* factors and similar intricate balancing tests, cases involving trademark infringement are highly fact specific.⁷⁴

Similarly, section 1125 authorizes a non-registered trademark owner to bring an unfair competition claim against any person that uses a mark intended to deceive or would likely cause confusion to a consumer about the source of the goods.⁷⁵ Like the multi-factor test used in registered trademark cases, courts have required four major ele-

⁶⁸ See 15 U.S.C. § 1114 (2006).

⁶⁹ See *Bd. of Trs. of the Univ. of Ark. v. Prof'l Therapy Servs. (Razorback)*, 873 F. Supp. 1280, 1291 (W.D. Ark. 1995) (holding that a clinic using the "Razorback" nickname infringed on the University of Arkansas's trademark rights); LAFRANCE, *supra* note 26, § 3.02 (discussing the two-step analysis related to confusion under § 1114 of the Lanham Act).

⁷⁰ See LAFRANCE, *supra* note 26, § 3.02[B][2] (establishing that courts both at the state and federal level have developed similar tests to determine the likelihood of confusion); see also *Razorback*, 873 F. Supp. at 1283–92 (discussing the factors the court used to determine the likelihood of confusion).

⁷¹ See *Polaroid Corp.*, 287 F.2d at 495 (establishing factors that the Second Circuit still uses in determining trademark infringement); see also LAFRANCE, *supra* note 26, § 3.02[B][2] (stating the Second Circuit uses eight factors in judging likelihood of confusion).

⁷² See *id.* 287 F.2d at 495–96 (applying an eight-factor balancing test in determining trademark infringement); see also LAFRANCE, *supra* note 26, § 3.02[B][2] (discussing that while certain jurisdictions use different tests, many of the factors including strength of the senior user's mark, intent of the junior user, and evidence of actual confusion are included in each test).

⁷³ See *Polaroid*, 287 F.2d at 494–95.

⁷⁴ See LAFRANCE, *supra* note 26, § 3.02[B][2].

⁷⁵ See 15 U.S.C. § 1125 (2006) (establishing a federal cause of action for non-registered trademarks).

ments to establish a valid unfair competition claim.⁷⁶ Unlike federally registered trademarks, however, unregistered trademarks are met with a higher burden of proof for each element.⁷⁷ Under cases concerning either section 1114 or 1125, courts often refer back to the general purpose of trademark law: to prevent confusion as to the source or origin of the goods being offered.⁷⁸

2. Dilution

In 1996, after years of debate, Congress amended section 1125 by adding the Federal Trademark Dilution Act (FTDA).⁷⁹ This amendment to the Lanham Act extended trademark rights by offering protection beyond marks on directly competing goods; it established a federal cause of action preventing products from using similar marks if use of those marks could tarnish or harm a senior user's mark.⁸⁰ The new amendment sought to prevent the "lessening of the capacity of a famous mark" regardless of a genuine issue of confusion direct competition.⁸¹ Essentially, in passing the FTDA, Congress allowed even more protection to the most famous trademark holders by allowing such holders to prove that their mark was so prevalent in the marketplace that non-competing uses could diminish the effectiveness of the mark.⁸² For collegiate institutions with significant national recognition, the new anti-dilution amendments add another potential weapon.⁸³

⁷⁶ See *id.*; see also Lattinville, *supra* note 50, at 84–85.

⁷⁷ See Lattinville, *supra* note 50, at 84–85. As a result of increased understanding of trademark rights by collegiate institutions, most marks a university would want to control are now trademarked. See *id.* Coupling that with the increased burdens for non-registered marks, it seems unlikely that a university would pursue a suit against a high school defendant on a non-registered mark. See *id.*

⁷⁸ See I McCARTHY, *supra* note 25, §§ 2.1–2 (discussing the initial purpose of the Lanham Act).

⁷⁹ The Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, § 3(a), 109 Stat. 985, 985 (1996) (codified at 15 U.S.C. § 1125 (2006)); see Bertagna, *supra* note 44, at 265 (discussing the initial question that led to the enactment of the FTDA in 1996).

⁸⁰ See LaFRANCE, *supra* note 26, § 3.05[B][1] (making note of the legislative history behind the FTDA); see also Bertagna, *supra* note 44, at 266–67 (highlighting a bill that recommended an addition to the Lanham Act for dilution which was eventually adopted nearly verbatim).

⁸¹ See 15 U.S.C. § 1125(c) (2006); see also LaFRANCE, *supra* note 26, § 3.05 (noting that scholars have criticized the dilution statutes as an unwarranted extension of federal trademark protection).

⁸² See Bertagna, *supra* note 44, at 266–68 (discussing generally the effects of the FTDA and the damages now allowed under the Lanham Act).

⁸³ See Grady & McKelvey, *supra* note 34, at 209–10 (noting several cases where collegiate institutions have successfully litigated cases based on a claim of dilution).

Nearly ten years after the passage of the anti-dilution legislation, Congress substantially changed the scope of the bill by passing the Trademark Dilution Revision Act (TDRA).⁸⁴ The effective result of the TDRA requires a mere *likelihood* of dilution rather than dilution in fact.⁸⁵ This latest amendment continued the trend of granting greater federal statutory protection for trademark owners, resulting in a greater number of assertions by owners of famous marks, including collegiate institutions.⁸⁶

II. THE HISTORY AND DEVELOPMENT OF THE COLLEGIATE MERCHANDISING RIGHT AND THE USE OF TRADEMARK PROTECTION

The primary reason for collegiate institutions' new found aggression in defending their trademarks is that universities now have more to protect.⁸⁷ Despite the current popularity of collegiate athletics and the billion dollar business that it has become, it is only over the past twenty-five years that colleges and universities started converting that popularity into a significant source of revenue.⁸⁸ As trademark rights have expanded, universities have used the increased legal protection to protect everything from school logos,⁸⁹ to color schemes,⁹⁰ to mascots.⁹¹ As a result, universities have used trademark protection to form

⁸⁴ See *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 433 (2003) (holding that the 1996 FTDA deserves a narrower reading than to allow tarnishment as part of the statutory definition of dilution).

⁸⁵ See 1 MCCARTHY, *supra* note 25, §§ 5.10–11 (discussing the effects of the amendments to the anti-dilution laws).

⁸⁶ See *id.* (noting that Congress passed the Revision Act as a response to the Supreme Court's concerns and holding in *Moseley*); see also Grinvald, *supra* note 17, at 638–40 (analyzing the effects of increased statutory protection for owners of famous trademarks).

⁸⁷ See Grady & McKelvey, *supra* note 34, at 207 (reporting that collegiate licensing annually tops 3 billion dollars in sales and resides only behind Major League Baseball and the National Football League in terms of major sports sales revenue).

⁸⁸ See Revoyr, *supra* note 27, at 370–78 (discussing the history of collegiate licensing, and showing that before the 1980s, few colleges understood the potential revenue streams of official collegiate merchandise).

⁸⁹ See Halle Stockton, *Another 'No' in Manatee High, FSU Squabble*, SARASOTA HERALD-TRIB. (Oct. 23, 2010), <http://www.heraldtribune.com/article/20101023/ARTICLE/10231036/0/sports> (highlighting the ongoing negotiations between Florida State University and Southeast High School over the use of a Seminole Indian Head as each program's logo).

⁹⁰ Bd. of Supervisors for La. State Univ. v. Smack Apparel Co., 550 F.3d 465, 475–76 (5th Cir. 2008) (holding that a school's color scheme can acquire a secondary meaning and thus be protected by trademark).

⁹¹ See *Univ. of Ga. v. Laite*, 756 F.2d 1535, 1541 (11th Cir. 1985) (holding that the University of Georgia's mascot, an English Bulldog, was arbitrary and suggestive and therefore able to be trademarked by the university); Elizabeth L. Rosenblatt, *Rethinking the Parameters of*

profitable merchandising arms which allow them to benefit greatly by asserting an almost monopolistic control on any product that utilizes marks either created by or associated with the school.⁹² This Part looks at the origin and evolution of collegiate merchandising, the formation of Licensing Groups, and the reasons for and effects of collegiate institutions asserting and expanding their trademark rights.⁹³

A. *The Rise of Collegiate Merchandising*

With the increased notoriety of collegiate athletics, merchandising revenue has also increased steadily over the past thirty years.⁹⁴ The NCAA ranks alongside the most popular professional sports leagues (the NFL, MLB, NBA, and NHL) in terms of revenue earned from officially licensed products.⁹⁵ Yet, revenue from professional leagues parallels revenue from collegiate merchandise as a direct result of a drastic increase in collegiate merchandising revenue in the past quarter of a century.⁹⁶ Perhaps not coincidentally, this increase in merchandising revenue mirrors the growth of trademark protection and intellectual property rights within the United States.⁹⁷

Starting in the 1930s, collegiate institutions relied mainly on their own bookstores to sell merchandise and apparel featuring their marks.⁹⁸ Into the beginning of the 1980s, universities were satisfied earning

Trademark Uses in Entertainment, 61 FLA. L. REV. 1011, 1058 (2009) (stating that courts have expanded the definition of confusion further than originally written in the Lanham Act).

⁹² See generally Stacey L. Dogan & Mark A. Lemley, *The Merchandising Right: Fragile Theory or Fait Accompli?*, 54 EMORY L.J. 461 (2005) (analyzing the theory, asserted by trademark owners, that as a result of acquiring trademarks, owners exclusively hold the right to profit from those marks and that non-owners must have a license to use the marks for any purpose).

⁹³ See *infra* notes 94–123 and accompanying text.

⁹⁴ See Revoyr, *supra* note 27, at 370–78 (noting the growth of revenue in college licensing from the 1930s until 1998); see also Lattinville, *supra* note 50, at 81–82 (discussing the steep incline in revenue growth from collegiate licensing since the 1970s).

⁹⁵ See Grady & McKelvey, *supra* note 34, at 207.

⁹⁶ See Revoyr, *supra* note 27, at 376–78 (discussing the snowball effect that collegiate licensing began to experience starting into the 1980s and continuing through the past decade).

⁹⁷ See, *supra* notes 25–86 and accompanying text.

⁹⁸ See Revoyr, *supra* note 27, at 371–72 (discussing the initial history of collegiate apparel and the development of collegiate institution's merchandising rights). In one of the first known instances of collegiate merchandising, the UCLA bookstore called and asked a garment producer if they could order just two dozen shirts with the initials "UCLA" on the front because they were not sure that people would be willing to buy such products. *Id.*

modest, six-figure revenues for their licensing of official merchandise.⁹⁹ Twenty-five years later, however, the twelve member institutions of the Southeastern Conference (SEC) alone accounted for over 600 million dollars in retail sales of officially licensed products.¹⁰⁰

Prior to the 1980s, only a handful of collegiate institutions had developed formal licensing programs that were engaged in protecting their trademarks and products.¹⁰¹ In 1973, when Ohio State University, relying on the strength of its football team, applied for a trademark registration on its name and mascot, it was notable for its ingenuity.¹⁰² Soon after though, emboldened by a string of trademark decisions favoring the professional sports leagues, other major universities throughout the nation began to formulate their own merchandising and licensing programs.¹⁰³ Nevertheless, until 1984, many bookstore managers and licensing directors were uncertain that university emblems were available for lawful trademark protection.¹⁰⁴ As universities' attorneys began to opine that colleges did in fact have a right to trademark protection, institutions, en masse, began to register for trademarks with an eye towards merchandising revenue.¹⁰⁵ These registrations led to a belief that colleges could control the use of their marks exclusively, and as a result, require that any product with these marks be licensed through them.¹⁰⁶ The practical effect of this "merchandising right theory" is that every collegiate institution with an NCAA Division I athletic program, and

⁹⁹ See Grady & McKelvey, *supra* note 34, at 207 (explaining the differences between the expectations of universities, in regards to their marketing rights, in the 1980s and the incredible increase in merchandise revenue over the past two decades).

¹⁰⁰ *Id.*

¹⁰¹ See Revoyr, *supra* note 27, at 370–72.

¹⁰² See *id.* at 372.

¹⁰³ See Dogan & Lemley, *supra* note 92, at 472–74 (discussing the separate decisions in 1975 concern the merchandising rights of the NFL and NHL that led to an expanded practice of trademark holders attempting to obtain royalties for the sale of their trademarks).

¹⁰⁴ See Revoyr, *supra* note 27, at 378 (“The symbols and emblems of colleges and universities may validly function as trademarks, which may form the basis for lawful licensing activities.” (quoting an attorney speaking at the 1984 National Association of College Stores Conference)).

¹⁰⁵ See *id.*; see also *Smack Apparel*, 550 F.3d at 491 (allowing Louisiana to claim trademark rights as a result of their unique color scheme); *Laite*, 756 F.2d at 1545–47 (expanding trademark protection to University of Georgia’s bulldog mascot).

¹⁰⁶ See Dogan & Lemley, *supra* note 92, at 472–78 (arguing that trademark owners developed a theory, based on case law and interpretation of that case law, that owners own almost exclusive control of their marks and the profits that derive from use of those marks).

many without, now have formal licensing programs and registered trademarks.¹⁰⁷

B. *The Formation of Licensing Agents*

As collegiate institutions began to rely on the “merchandising right theory,” there was no official way for a school to convert these potentially valuable rights to automatic revenue streams.¹⁰⁸ Just as collegiate institutions were originally unsure they had these rights to begin with, they became equally unsure in how to administer these rights.¹⁰⁹ The resulting confusion led to significant inefficiencies,¹¹⁰ with each school independently trying to figure out how best to register, control, and profit from their trademarks.¹¹¹ These inefficiencies led to a need for expertise and experience in dealing with trademark and trademark licensing.¹¹²

Licensing agents were created under the premise that one central agency representing multiple schools could more efficiently control, protect, and profit off of institutional trademark rights.¹¹³ Using economies of scale, licensing agents acquired the expertise necessary to implement their own formalized licensing program and did so better than an individual school would have been able to using its own unilateral

¹⁰⁷ See *id.*; see also Revoyr, *supra* note 27, at 378–81 (discussing the belief that trademark protection existed for all university marks and emblems and how that belief was furthered by the interpretation of legal settlements in disputes over collegiate trademark rights).

¹⁰⁸ See Dogan & Lemley, *supra* note 92, at 472–74.

¹⁰⁹ See Revoyr, *supra* note 27, at 385–87. The uncertainty that institutions faced in administering a formalized licensing programs is best exemplified by the fact that schools differed in the departments that they placed their licensing programs under. See *id.* While some institutions placed their licensing arms under the General Counsel’s office or athletic department, many other schools placed the program under the watch of the campus bookstore, the technology department, or even the alumni relations office. See *id.* at 381–82.

¹¹⁰ See *id.* at 380–87. These inefficiencies resulted from the fact that many universities did not have the personnel available to handle many of the issues that came with the newly invoked intellectual property rights. See *id.* General Counsels for universities were not typically well versed in intellectual property law, marketing departments were not used to dealing with promotion and sales of merchandise, and athletic departments were not prepared for the influx in requests for officially licensed products. See *id.*

¹¹¹ See *id.* at 385–87.

¹¹² See Lattinville, *supra* note 50, at 87–90 (describing what advantages licensing agents presented institutions when deciding whether to employ a licensing agent or their own independent licensing program).

¹¹³ See *id.*

plan.¹¹⁴ Although some of the biggest schools have been able to maintain their own independent licensing departments,¹¹⁵ many institutions have chosen to employ one of the two major licensing agents: the Collegiate Licensing Company (CLC) or the Licensing Resource Group (LRG).¹¹⁶ By hiring a licensing agent, schools contractually transfer many aspects of production, contract negotiation, and even marketing, in exchange for a fee, as high as fifty percent of revenue sold.¹¹⁷

Nonetheless, for many institutions, that fee is a small price to pay for licensing agents' experience and ability to protect against trademark infringement.¹¹⁸ Due to their unique interest in trademarks and licensing agreements, licensing agents such as CLC have their own legal departments that specialize in this particular area of trademark law.¹¹⁹ These specialized departments focus not only on litigating against known trademark infringers but also identifying and seeking out potential infringers.¹²⁰

Often when a high school receives a notice that it is infringing on a collegiate institution's trademark, the legal department of a licensing agent has sent the C&D letter.¹²¹ By hiring third-party licensing agents, universities are often required by the terms of that contract to enforce their trademark rights against those the agent believes to be in viola-

¹¹⁴ See *id.*; see also Revoyr, *supra* note 27, at 380–89 (outlining the reason for and the history of licensing agents as well as the reason that many institutions chose to contract with them rather than continue installing their own independent licensing programs).

¹¹⁵ See Lattinville, *supra* note 50, at 87. The University of Notre Dame, widely considered the biggest collegiate football program that does not affiliate itself with a conference, also maintains its own independent licensing program. See *id.*

¹¹⁶ See *id.* at 88–89 (discussing the two major collegiate licensing companies and their expansive lists of clients, which include universities, conferences, and bowl games).

¹¹⁷ See *id.* at 87 (stating that the high end for fees to licensing agents is forty to fifty percent).

¹¹⁸ See *id.* at 88–90; see also Revoyr, *supra* note 27, at 385–89 (describing the processes and procedures of licensing agents).

¹¹⁹ See *Trademark Enforcement*, COLLEGIATE LICENSING COMPANY, <http://www.clc.com/clcweb/publishing.nsf/Content/trademark+enforcement.html> (last visited Nov. 7, 2011). The CLC website lists “Trademark Enforcement” first on their list of client services provided. See *id.* The LRG website actually notes that LRG has trademarked their own trademark management tools (“Trademarx”) to provide the best possible services to their clients in license management and trademark protection. See *About Trademarx*, LICENSING RESOURCE GROUP, <http://www.lrgusa.com/trademarx.php.html> (last visited Nov. 7, 2011) [hereinafter *LRG Website*].

¹²⁰ See *LRG Website*, *supra* note 119 (describing the licensing group's brand strategy and highlighting the protection of clients' brands as a key to this strategy).

¹²¹ See Cormier, *supra* note 4, at BN3.

tion.¹²² As a result of this contract between the university and the licensing agent, the agencies as private businesses have every incentive to aggressively pursue potential infringement claims without having the restrictions that may cause an educational institution to defer from such pursuits.¹²³

III. THE ASSERTION AND EXTENSION OF THE MERCHANDISING RIGHT

As discussed in Part I and Part II,¹²⁴ both the expansive nature of the Lanham Act and the increased revenues from collegiate merchandise have led collegiate institutions to step up their pursuit of trademark infringers, including asserting trademark rights against non-traditional parties like high schools.¹²⁵ In a letter to Murietta Valley High School, Iowa Trademark Licensing Director Dale Arens stated that federal law requires trademark holders to police their own trademarks.¹²⁶ He went on to say that if the university allowed unauthorized use of its marks, it “risks losing its trademark rights altogether.”¹²⁷ Although it seems unreasonable that allowing a high school to use a college’s logo could cause an institution to lose trademark rights, that notion appears to be the principal fear, or at least the stated reason, for most universities sending C&Ds.¹²⁸

Increased revenue from the development of intellectual property rights have prompted universities to increase their protection and assertion to the rights that they believe they have acquired.¹²⁹ Similarly, case law regarding collegiate institutions and their trademark rights has ratified this belief that collegiate institutions receive expansive legal

¹²² See Lattinville, *supra* note 50, at 89–90 (analyzing the licensing agreements between universities and licensing agents and the benefits of such arrangements).

¹²³ See *id.* at 88–92; see also Scott Bearby & Bruce Siegal, *From the Stadium Parking Lot to the Information Superhighway: How to Protect Your Trademarks from Infringement*, 28 J.C. & U.L. 633, 640–45 (2002) (highlighting the requirements on trademark holders or licensees to police their own trademarks).

¹²⁴ See *supra* notes 25–123 and accompanying text.

¹²⁵ See *infra* notes 126–156 and accompanying text.

¹²⁶ See Iowa Letter, *supra* note 6 (“If the University of Iowa allows the unauthorized use of its trademarks with no attempt to prevent such use, the University risks losing its trademark rights altogether.”).

¹²⁷ See *id.*; see also Abrahams, *supra* note 12 (reporting that while the University of Wisconsin’s head football coach and athletic director told the Woodlands High School not to worry about a similarly designed logo, the university representatives changed their minds and asked that the high school cease to use a depiction of the letter W that seemed similar to the university’s trademarked logo).

¹²⁸ See Iowa Letter, *supra* note 6 (noting the rationale behind the decision of a university to send a C&D letter to a high school).

¹²⁹ See *supra* notes 87–123 and accompanying text.

protection of trademark rights.¹³⁰ This Part discusses the key decisions that have furthered collegiate institutions' reliance on legal protection of their marks and the resulting expansion of rights that universities have asserted surrounding those marks.¹³¹

A. *Early Case Law Interpretation of Collegiate Licensing Rights and Trademark Protection*

Not surprisingly, the first legal dispute in collegiate licensing arose at the 1977 Sugar Bowl when the manager of the University of Pittsburgh ("Pitt") bookstore noted the incredible volume of Pittsburgh emblems and garments worn by the crowd.¹³² This realization caused Pitt school officials to register successfully twenty-nine trademarks.¹³³ After the marks were registered, Pitt sent notice of the marks to Champion, the main supplier of Pitt's athletic uniforms and merchandise, and requested that Champion execute a license agreement; Champion refused, and a complicated lawsuit followed.¹³⁴ Although the District Court twice ruled in favor of Champion, the U.S. Court of Appeals for the Third Circuit ruled mostly in favor of Pitt; with the prospect of another appeal going before the Third Circuit, Champion eventually agreed to a still-undisclosed, out-of-court settlement that executed a licensing agreement between both parties.¹³⁵

After settlement, the U.S. District Court for the Western District of Pennsylvania dismissed the case and vacated its judgment, leaving only the Third Circuit's ruling and the undisclosed settlement, which provides little guidance regarding licensing agreements between universities and manufacturers.¹³⁶ This outcome, although somewhat split,

¹³⁰ See *infra* notes 126–156 and accompanying text.

¹³¹ See *infra* notes 126–156 and accompanying text.

¹³² See *Univ. of Pittsburgh v. Champion Prods., Inc. (Pitt II)*, 686 F.2d 1040, 1043 (3d Cir. 1982), *remanded to* 566 F. Supp. 711 (W.D. Pa. 1983) (citing the account of the University of Pittsburgh's bookstore manager concerning the amount of "Pitt" insignias that were dispersed amongst the 1977 Sugar Bowl Crowd).

¹³³ See *id.* at 1043–44.

¹³⁴ *Id.*

¹³⁵ See *id.* at 1049 (holding generally in favor of Pitt); *Univ. of Pittsburgh v. Champion Prods., Inc. (Pitt III)* 566 F. Supp. 711, 722 (W.D. Pa. 1983); *Univ. of Pittsburgh v. Champion Prods., Inc. (Pitt I)* 529 F. Supp. 464, 469 (W.D. Pa. 1982), *aff'd in part, rev'd in part*, 686 F.2d 1040, *remanded to* 566 F. Supp. 711; see also Bearby & Siegal, *supra* note 123, at 637–38 (discussing the importance of the Pitt-Champion dispute and the effect it had on collegiate licensing and the belief in trademark rights for universities).

¹³⁶ See *Pitt II*, 686 F.2d at 1049 (remanding the case to district court and granting a prospective injunction to Pitt against Champion to prevent further use of their registered marks on merchandise); Bearby & Siegal, *supra* note 123, at 639 (stating that "the district

seemed like a legal victory for universities in that it allowed them to establish control of their marks and use them to create licensing agreements with potential producers—even those who were already in the business of producing merchandise bearing university insignias and emblems.¹³⁷

Soon thereafter, that view of the Pitt-Champion dispute was confirmed in a decision by U.S. Court of Appeals for the Eleventh Circuit.¹³⁸ In 1985, in *University of Georgia Athletic Ass'n v. Laite*, the Eleventh Circuit affirmed a lower court's injunction preventing a would-be beer distributor from using a logo that the University of Georgia claimed was similar both in appearance and color scheme to its mascot, an English Bulldog.¹³⁹ In a spirited opinion, which colorfully referenced the University's success on the athletic fields, the Eleventh Circuit focused on the strength of Georgia's mark, the similarity of the marks, and the potential intent of the defendant to confuse customers as to whether a link existed between the beer company and the university.¹⁴⁰ Although the opinion itself showed the fact-intensive process used by the court, many in the licensing world saw this as further proof that courts would protect collegiate institution's trademarks to the fullest.¹⁴¹

court's judgment was vacated by consent of the parties"); see also Andrew D. Baharlias, . . . *Yes I Think the Yankees Might Sue If We Named Our Popcorn 'Yankee Toffee Crunch.'* *A Comprehensive Look at Trademark Infringement Defenses in the Context of the Professional and Collegiate Sports Industry*, 8 SETON HALL L. SPORT L. 99, 105–06 (1998) (discussing what the actual issues being decided in the Pitt-Champion dispute were). *But see Pitt III*, 566 F. Supp. at 722 (holding that Pitt may not recover on claims of previous trademark infringement because Champion was the first user of Pitt marks on merchandise).

¹³⁷ See Bearby & Siegal, *supra* note 123, at 638–41 (noting the procedural process, context, and eventual result of the Pitt-Champion dispute and then discussing the cases that followed); see also Lattinville, *supra* note 50, at 86–87 (listing the Pitt-Champion dispute as starting a promising trend for universities in case law); Revoyr, *supra* note 27, at 378–80 (detailing Champion's role at the start of licensing and collegiate merchandise and discussing the company's ulterior motives to settle). Besides Pittsburgh, Champion was the producer for multiple high-profile athletic programs at the start of the 1980s, and because they too were caught off guard by the quick development of trademark rights and collegiate licensing, the settlement they agreed to with Pittsburgh may have had more to do with their general business model than the merits of the case. See Revoyr, *supra* note 27, at 378–80.

¹³⁸ See *Univ. of Ga. Athletic Ass'n v. Laite*, 756 F.2d 1535, 1546–47 (11th Cir. 1985) (holding that the University of Georgia trademarked mascot was infringed against by a beer producer by trying to sell a product called "Battlin' Bulldog Beer").

¹³⁹ See *id.* at 1540–47 (discussing the use of secondary meaning and the application of the 11th Circuit's likelihood of confusion test to reach the conclusion that the defendant had in fact infringed upon the plaintiff's trademark rights).

¹⁴⁰ See *id.*

¹⁴¹ See Bearby & Siegal, *supra* note 123, at 639–40 (mentioning the "Battlin' Bulldog" case as further extension of collegiate trademark and licensing rights).

Adding more weight to this perceived “merchandising right” of colleges, in 1989 in *Board of Governors of University of North Carolina v. Helpingstine*, the U.S. District Court for the Middle District of North Carolina held that the University of North Carolina had not abandoned its trademark rights by allowing unauthorized users to utilize marks that were now protected by the university.¹⁴² Several years later, in a proceeding before the United States Patent and Trademark Office, the Appeal Board reconfirmed the holding in *Helpingstine*, and allowed the University of Wisconsin to register marks that had not been used by the university for years but had been in constant use by local merchants.¹⁴³ The cumulative effect of these cases was to establish a perception that courts would protect trademark rights of collegiate institutions heavily, including the right to control and license merchandise containing marks associated with the school regardless of previous use by outside parties.¹⁴⁴

B. *The Continued Expansion of Collegiate Trademark Rights*

As case law began to cement the belief that universities were afforded the broadest protection available under the Lanham Act, collegiate institutions began to assert more rights afforded under this protection.¹⁴⁵ In 1995, the University of Arkansas brought suit against a local physical rehabilitation clinic that used the school’s nickname, Ra-

¹⁴² See *Bd. of Governors of Univ. of N.C. v. Helpingstine*, 714 F. Supp. 167, 176–77 (M.D.N.C. 1989) (holding that the University of North Carolina, despite failing to prosecute non-licensed users of university-held trademarks for a number of years, had not abandoned those marks and could bring action against non-licensed users in the future).

¹⁴³ See *Univ. Book Store v. Univ. of Wis. Bd. of Regents*, 33 U.S.P.Q.2d 1385, 1393–94 (T.T.A.B. 1994) (permitting the University of Wisconsin to register certain trademarks despite opposition from local merchants who claimed the university had abandoned such marks by not using them for a period of years).

¹⁴⁴ See *Helpingstine*, 714 F. Supp. at 176–77; *Univ. Wis. Bd. of Regents*, 33 U.S.P.Q.2d at 1393–94; see also *Bearby & Siegal*, *supra* note 123, at 640–42 (discussing the trend of cases to expanding collegiate licensing, merchandising, and trademark rights).

¹⁴⁵ See *Bd. of Supervisors for La. State Univ. Agric. & Mech. Coll. v. Smack Apparel Co.*, 550 F.3d 465, 491 (5th Cir. 2008) (finding for several universities with high-profile athletic programs joined together to sue defendant over the use of color schemes and implied connections to the plaintiff’s institutions); see also *Bd. of Trs. of the Univ. of Ark. v. Prof. Therapy Servs., Inc. (Razorback)*, 873 F. Supp. 1280, 1292 (W.D. Ark. 1995) (holding for University of Arkansas on a trademark claim brought about by a local business using the school’s Razorback name and similar logo); see also Adam Liptak, *Sports Artist Sued for Mix of Crimson and Tide*, N.Y. TIMES (Nov. 12, 2006), <http://www.nytimes.com/2006/11/12/us/12artist.html> (reporting that the University of Alabama was suing a local artist who was made famous by his renderings of famous moments in University of Alabama football history).

zorback, in its business name.¹⁴⁶ Citing many of the aforementioned decisions, the court held that Arkansas had acquired a strong mark and that if there was even the smallest likelihood of confusion on the ties of a business to the university, the university should prevail.¹⁴⁷ This decision along with a 1995 Supreme Court decision regarding the protection of color schemes, led collegiate institutions to step up their efforts in dutifully protecting their marks.¹⁴⁸

Over the next decade, collegiate institutions began to file a variety of trademark claims against businesses.¹⁴⁹ Court decisions seemed to solidify the theory that the unauthorized use of a mark is enough to gain legal trademark protection.¹⁵⁰ One decision in particular, a 2006 case involving several universities with high-profile athletic programs, expanded trademark protection to include color schemes and other “identifying indicia” without direct use of registered marks.¹⁵¹ The 2008 decision by the U.S. Court of Appeals for the Eight Circuit, *Board of Supervisors for Louisiana State University Agricultural & Mechanical College v. Smack Apparel Co.*, was seen as the latest legal victory for collegiate licensing and was followed by another favorable ruling that seemed to confirm that collegiate institutions’ trademark and licensing rights had yet to meet their legal ceiling.¹⁵²

The practical effect of these decisions in favor of colleges, along with the continued expansion of trademark law in America, is that colleges and universities believe that they have the exclusive right to license their merchandise and that any non-licensed use is a violation of legal

¹⁴⁶ See *Razorback*, 873 F. Supp. at 1283–86.

¹⁴⁷ See *id.* at 1285–92 (holding that the “Razorback” Therapy Clinic did infringe on the university’s trademark rights because of the strength of the mark, the proximity of the goods, and the likelihood of confusion).

¹⁴⁸ *Id.* at 1292; see *Qualitex Co. v. Jacobsen Prods., Co.*, 514 U.S. 159, 172–74 (1995) (holding that colors may sometimes meet the basic legal standards for trademark protection); see also Lattinville, *supra* note 50, at 87 (arguing that *Qualitex* may serve as precedent for collegiate institutions trying to protect colors under the Lanham Act).

¹⁴⁹ See *Smack Apparel*, 550 F.3d at 479–91 (discussing the assertion of claims by several schools).

¹⁵⁰ See Grady & McKelvey, *supra* note 34, at 209–10 (discussing the recent efforts of collegiate institutions in enforcement of trademark protections, and listing cases that were settled out of court as a result of the increased attention colleges put on trademark enforcement).

¹⁵¹ See *Smack Apparel*, 550 F.3d at 491 (holding that color schemes combined with other identifying marks can serve as a trademark violation). *Smack Apparel* represented a joint effort by multiple schools to stop a “known” infringer who typically sold merchandise outside of major athletic events. See Grady & McKelvey, *supra* note 34, at 218–24 (discussing the impact of the *Smack Apparel* case).

¹⁵² *Id.* at 224 (stating that the *Smack Apparel* decision was a “landmark” victory).

trademark protection.¹⁵³ This has led to more and more settlements between collegiate institutions and third-party users, which only reinforce the universities' belief that they have broad, and ever-expanding, legal protection.¹⁵⁴ Under this expansion, collegiate institutions, and the licensing agents that represent them, have begun to expand their scope past the traditional parties that the case law was built on.¹⁵⁵ Yet despite multiple threatened lawsuits, a court has yet to hear a dispute between a university and a high school on a trademark infringement claim.¹⁵⁶

IV. REASSESSMENT OF TRADEMARK PROTECTION

As seen in Parts I, II, and III, trademark law, especially with regards to collegiate licensing practices and rights, has expanded over the past twenty years as a result of increased statutory protection and broad judicial interpretation of those statutes.¹⁵⁷ Nevertheless, legislation and case law are not the only reasons why universities have been able to enjoy such broad protection.¹⁵⁸ Part of the expansion is a result of risk aversion and the attitude of non-licensed trademark users.¹⁵⁹ Often,

¹⁵³ See Gibson, *supra* note 15, at 907–27 (setting forth the “accretion rights” theory that trademark users who strongly assert their trademark rights gain more confidence and broader recognition of their rights every time another party concedes to the trademark owner’s assertion).

¹⁵⁴ Grady & McKelvey, *supra* note 34, at 237–38 (arguing that the recent court decisions have trended “mightily” in favor of colleges and universities and their merchandising rights).

¹⁵⁵ See Liptak, *supra* note 145 (reporting on the University of Alabama suing a local artist); see also *Seahawks, A&M Resolve 12th Man Dispute*, ESPN NFL (May 8, 2006), <http://sports.espn.go.com/nfl/news/story?id=2437992> (reporting that the Seattle Seahawks settled a dispute with Texas A&M over a trademarked slogan). Texas A&M trademarked the phrase “12th Man” as a reference to a position on their football team reserved for and in reference to the general college population; the Seattle Seahawks also used this term to refer to their fans. See *id.* The resulting settlement allowed the Seahawks to continue using the slogan, but as a licensee of Texas A&M. See *id.*

¹⁵⁶ See Halley, *supra* note 9 (noting that there are no known disputes between colleges and high schools that have been litigated).

¹⁵⁷ See *supra* notes 25–156 and accompanying text.

¹⁵⁸ See Gibson, *supra* note 15, at 907–27. Gibson argues that trademark law has expanded not only in legal protection but also as a result of marketplace conditions: as the use of licensed copyrights, trademarks, and other intellectual property licenses grow, the market comes to expect such licensees. See *id.* As a result, this market feedback convinces both the owner and non-licensed user that the legal protection is in the owner’s favor. See *id.*

¹⁵⁹ See *id.*; see also Dogan & Lemley, *supra* note 92, at 478–79 (noting that court decisions and general uncertainty have led to an expectation of trademark owner’s licensing rights).

non-licensed trademark users will seek a license even when it might not be necessary to do so.¹⁶⁰ This results in an environment in which users see non-licensed uses as outliers and licenses as the norm.¹⁶¹ This normative effect not only emboldens universities in their enforcement of trademark protection but also acts as a deterrent to a non-licensed user when confronted by a trademark holder.¹⁶² This Part examines whether high schools are actually infringing collegiate institutions' trademark rights by considering the factors courts have adopted in trademark disputes and analyzing case language that hints at a narrower interpretation for non-business, unlicensed uses of trademarks.¹⁶³

A. Applying the Polaroid Factors to High School Infringement

As discussed in Part I, a general cause of action for trademark infringement usually hinges on the likelihood of confusion.¹⁶⁴ The general standard is whether an "appreciable number" of ordinary consumers would likely be confused as to the origin of the goods or services or whether there is a connection between the junior user and the senior user of a mark.¹⁶⁵ Courts, in adhering to this standard, usually engage in a fact-specific inquiry and apply those facts to a general list of six, seven, or eight factors, which are taken in totality.¹⁶⁶ Although many jurisdictions have slight variations, the general scope of the test is the same for almost all federal and state courts.¹⁶⁷ This Part uses the factors

¹⁶⁰ See Gibson, *supra* note 15, at 907 ("[T]rademark users often seek a license even when none is needed."); see also Rosenblatt, *supra* note 91, at 1037 ("A culture of 'license, don't litigate' has arisen.")

¹⁶¹ See Gibson, *supra* note 15, at 907–08 (noting that consumer perception is as important as what the law actually is); see also Grady & McKelvey, *supra* note 34, at 237 (concluding that court decisions have reaffirmed the belief that trademark protection is strongly in favor of collegiate institutions).

¹⁶² See Rosenblatt, *supra* note 91, at 1040 (noting that the license-don't-litigate culture creates a circular pattern, which fosters a consumer perception that all trademark uses must be licensed).

¹⁶³ See *infra* notes 164–228 and accompanying text.

¹⁶⁴ See *supra* notes 25–86 and accompanying text.

¹⁶⁵ See LAFRANCE, *supra* note 26, § 3.02[B][1] (2005) (outlining the general parameters courts use in determining likelihood of confusion).

¹⁶⁶ See *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961) (identifying eight factors that determine whether a likelihood of confusion exists in a trademark suit).

¹⁶⁷ See LAFRANCE, *supra* note 26, § 3.02[B][2] (stating that many of the *Polaroid* factors are universally recognized and that even though different jurisdictions may apply them a bit differently, the general standard remains nearly the same).

laid out by the U.S. Court of Appeals for the Second Circuit in the seminal case, *Polaroid Corp. v. Polarad Electronics Corp.*¹⁶⁸

1. Factors All Courts Consider

First, the starting point in most likelihood of confusion cases is whether the marks of the junior and senior user are similar.¹⁶⁹ Consequently, a court finding dissimilarity between the marks will almost always lead to a holding of non-infringement.¹⁷⁰ Courts have held that similarity is based not only on appearance but also on the total effect and overall impression that the marks would have on an ordinary, prudent person.¹⁷¹ This overall impression standard seems to be somewhat overlooked by collegiate institutions insisting that high schools are infringing on their trademark rights.¹⁷²

A similar looking logo might only be similar in appearance and not overall impression.¹⁷³ An ordinary, prudent person—the type, perhaps, likely to buy merchandise from the University of Wisconsin—is not likely to be confused by seeing a red “W” on a green background, especially when the university identifies itself through “the red, white, and black color scheme.”¹⁷⁴ Given the overall impression standard of similarity, college institutions would likely have to prove that logos, nicknames, and mascots are not only similar in appearance, but also impart to an ordinary person a similar impression.¹⁷⁵

¹⁶⁸ See 287 F.2d at 495.

¹⁶⁹ See LaFRANCE, *supra* note 26, § 3.02[B][2][a].

¹⁷⁰ *Id.* (arguing that a finding that marks are not similar will usually lead to the subjective judgment that the rest of the likelihood of confusion analysis is unnecessary).

¹⁷¹ See *Bos. Athletic Ass’n v. Sullivan*, 867 F.2d 22, 29–30 (1st Cir. 1989) (stating that similarity is based on the total effect of the designation and not just the individual features of the marks).

¹⁷² See *Stockton*, *supra* note 89 (reporting that Florida State University insists that the appearance of the marks is similar and therefore protected by Florida State’s trademark rights despite the logos being completely different colors).

¹⁷³ See *Abrahams*, *supra* note 12 (reporting that students believe that their “W” is different because it identifies their school through the colors used rather than the other features claimed by the University of Wisconsin).

¹⁷⁴ See *Graphic Standards for the Proper Use of UW Colleges and Campus Logos*, UNIV. WISCONSIN COLLS., http://www.uwc.edu/resources/graphic_standards/ (last visited Nov. 9, 2011) (stating that logos should reinforce the University of Wisconsin identity by using the colors red, black, and white); see also *HIGHLANDERS: THE WOODLANDS FOOTBALL*, <http://www.highlanderfootball.net/> (last visited Nov. 11, 2011) (showing that the Woodlands High School uses a red W on a green background as their color scheme).

¹⁷⁵ See LaFRANCE, *supra* note 26, § 3.02[B][2][a] (highlighting that the overall impression of the marks is the standard used by courts, not just similarity in appearance).

Second, in addition to the similarity between the marks, in a trademark infringement suit, a court will always look at the strength of the plaintiff's mark.¹⁷⁶ As the *Razorback* court discussed, a strong and distinctive mark is entitled to greater protection than a weak or commonplace one.¹⁷⁷ As discussed in Part I, the strength of the mark is often a product of its distinctiveness in itself *and* distinctiveness in the marketplace.¹⁷⁸ Consequently, a university's mark might be distinctive in certain settings but if the logo is similar to other logos in the marketplace or the nickname is used by other parties as well, the strength and distinctiveness of the mark may be lessened.¹⁷⁹ Although not the most popular nickname, even a name like the Beavers, generates a list of ten different colleges use the Beaver as their mascot.¹⁸⁰ For example, were Oregon State to claim that a high school's version of a Beaver is too close to its trademarked version, the presence of other institutions using their own versions of Beavers would tend to show that the logo is not so unique as to be afforded the broadest level of trademark protection.¹⁸¹

A third factor that all courts consider in trademark infringement suits is actual confusion.¹⁸² In circumstances where there is proof of actual confusion, it will often carry substantial weight in determining the overall likelihood of confusion.¹⁸³ Often, actual confusion is tough to prove because the marks have not yet caused injury to the senior user; in many high school-college disputes, however, the marks have been concurrently used for periods of years and sometimes even dec-

¹⁷⁶ See *id.* § 3.02[B][2][c] (noting that courts determine strength by looking at the distinctiveness of the mark and how distinctive that mark is in the mind of consumers, thus potentially confusing a consumer as to the origin of the goods).

¹⁷⁷ See Bd. of Trs. of the Univ. of Ark. v. Prof. Therapy Servs. (*Razorback*), 873 F. Supp. 1280, 1285 (W.D. Ark. 1995).

¹⁷⁸ See LAFRANCE, *supra* note 26, § 3.02[B][2][c] (highlighting the fact that a mark's strength is actually measured by two factors and not just distinctiveness in general).

¹⁷⁹ See *Amstar Corp. v. Domino's Pizza, Inc.*, 615 F.2d 252, 265 (5th Cir. 1980) (reversing a lower court decision, and holding that Dominos Sugar, despite the strength of its mark, was not distinctive in the marketplace because other companies used Dominos as a name).

¹⁸⁰ See *List of Collegiate Nicknames*, ADAM JOSHUA SMARGON, <http://www.smargon.net/nicknames> (last updated Oct. 30, 2011) (showing the nickname Beavers is attributed to 10 different colleges throughout the United States).

¹⁸¹ See Randy Sharer, *High School Logos Can Look Familiar*, PANTAGRAPH (Oct. 20, 2010), <http://www.allbusiness.com/education-training/extra-curricular-activities-school/15214978-1.html> (discussing Oregon State's claims against an Ohio high school).

¹⁸² See LAFRANCE, *supra* note 26, § 3.02[B][2][c].

¹⁸³ See *id.* (stating that actual confusion may be the strongest element of the *Polaroid* factors and the lack of actual confusion may weaken a trademark infringement claim significantly).

ades.¹⁸⁴ For a collegiate institution to prove actual confusion, it must present either survey evidence or direct proof that instances of confusion were more than isolated instances.¹⁸⁵ In a situation like the Woodlands-Wisconsin dispute, evidence that alumni, those most likely to buy Wisconsin merchandise, were not confused, and in fact alerted the university to the similarities in marks actually implies that actual confusion did not exist.¹⁸⁶ Although proof of actual confusion can strengthen a plaintiff's case, a lack of confusion can severely weaken it.¹⁸⁷

A fourth important element that courts look at is the proximity of the products being offered in the marketplace.¹⁸⁸ In determining proximity, courts look to the content of the products, the geographic proximity, the market for the product, and consumer appeal.¹⁸⁹ Although it can be argued that high schools and universities are both educational institutions, to say that they directly compete with one another would misrepresent the services provided by each.¹⁹⁰ Simply put, high schools have never competed in team sports competitions against collegiate institutions, and if athletics are the driving force behind the collegiate merchandising boom, it seems clear that high school athletics exist in an entirely different market than collegiate athletics.¹⁹¹ Likewise, the merchandising revenue that even the top high school receives pales in comparison to a day's worth of sales for the lowest-earning colleges.¹⁹² Furthermore, in many situations, the geographic distance between the

¹⁸⁴ See Sharer, *supra* note 181 (noting that the Ohio High School has used the Beaver as their mascot for years); see also Stockton, *supra* note 89 (discussing how Southeast High School has used the Seminoles logo for as long as anyone at the school can remember).

¹⁸⁵ See LAFRANCE, *supra* note 26, § 3.02[B][2][c] (stating that "isolated instances of confusion" or unclear evidence of confusion will be deemed insignificant or given little weight).

¹⁸⁶ See Abrahams, *supra* note 12 (pointing out that University of Wisconsin alumni, who were not confused, informed the school of the similarity in appearance of the Woodlands High School "W" to that of the university's).

¹⁸⁷ See LAFRANCE, *supra* note 26, § 3.02[B][2][c].

¹⁸⁸ See *id.* § 3.02[B][2][b].

¹⁸⁹ See *id.* (noting that in determining proximity, courts often use a sliding scale that requires a higher degree of similarity in cases where goods are in direct competition with each other).

¹⁹⁰ See Halley, *supra* note 9 (comparing the differences between college and high school merchandising and the demographics they serve).

¹⁹¹ See *id.*

¹⁹² See *id.* (stating that high schools have earned as little as 30 dollars to a couple thousand dollars on their licensing of merchandise).

high school and the university present another potential hurdle for the trademark owner.¹⁹³

2. Lesser Factors Courts May Consider

Besides similarity between the marks, the strength of the plaintiff's mark, actual confusion, and proximity, many courts look at other elements in deciding trademark infringement claims.¹⁹⁴ One element that the *Polaroid* court analyzed was the likelihood that the senior user would expand into the junior user's market.¹⁹⁵ This "bridging the gap" concept considers whether a senior user would ever become a direct competitor to a junior user in a market place.¹⁹⁶ In a high school-college licensing dispute, a university would have trouble proving that high school merchandise competes directly with its own, because high school merchandise generates little revenue and serves a different purpose.¹⁹⁷ Unlike colleges, most high schools do not count on merchandise revenue to fund significant portions of their operations.¹⁹⁸ Collegiate merchandising has become a multi-billion-dollar business, and high school merchandise has certainly not withheld expansion of university revenues streams up to this point.¹⁹⁹

Another factor a court may look at in a trademark infringement suit is the intention of the defendant.²⁰⁰ Bad faith of the defendant is nearly impossible to prove, especially in the early stages of litigation.²⁰¹ As such, some courts have allowed for a presumption of bad faith when the junior user's mark is identical to a well-known mark.²⁰² Conversely, many of the disputes between high schools and universities concern

¹⁹³ See Sharer, *supra* note 181 (pointing out the incredible distance and differences between Oregon State University and Painesville High School in the great state of Ohio).

¹⁹⁴ See *infra* notes 195–213 and accompanying text.

¹⁹⁵ See *Polaroid*, 287 F.2d at 495. The *Polaroid* court called this "bridg[ing] the gap." See *id.*

¹⁹⁶ See *id.*; see also LAFRANCE, *supra* note 26, § 3.02[B][2][f] (explaining that bridging the gap often occurs only when the goods of the two parties are in direct competition and directly related).

¹⁹⁷ See Halley, *supra* note 9 (discussing the ceiling for high school merchandising right now as being in the thousands of dollars).

¹⁹⁸ See *id.* (noting that even where high schools receive a small amount of merchandising revenue it is used to fund student groups or booster clubs and not overall school budgets).

¹⁹⁹ See *supra* notes 87–123 and accompanying text.

²⁰⁰ See *Razorback*, 873 F. Supp. at 1291.

²⁰¹ See *id.* (stating that questions of intent and bad faith are typically non-determinative and impossible to prove at the summary judgment level).

²⁰² See LAFRANCE, *supra* note 26, § 3.02 [B][2][g] (highlighting the rebuttable presumption that some courts allow for in cases where the junior user's mark is identical to another mark that has already acquired a secondary meaning within the marketplace).

logos that have been used for decades.²⁰³ Unless a high school has recently switched logos or the marks are absolutely identical, a university will struggle to prove a high school acted in bad faith or intent.²⁰⁴

Another issue some courts consider in these suits is the sophistication of the buyer.²⁰⁵ A court may look at the average consumer of defendant's products and determine whether that consumer is more or less easily confused in determining the products' source.²⁰⁶ With regards to high school merchandise, which does not typically appear in many retail locations, the average consumer presumably has some knowledge of or affiliation with the school.²⁰⁷ As a result, courts will likely find that consumers of high school and college merchandise are at least of average sophistication, and therefore will not be confused easily.²⁰⁸ The combination of a typically sophisticated consumer who has at least some association with or knowledge of the junior user could allow court's to require a higher threshold of confusion for plaintiffs.²⁰⁹

Finally, although some courts will take into consideration the quality of the defendant's products, this factor seems to carry little weight, and in some jurisdictions it is not even discussed.²¹⁰ One area that has been of concern to some courts, however, is price.²¹¹ If high school merchandise is sold at a lower price than that of an identical product, some

²⁰³ See, e.g., *Stockton*, *supra* note 89. Southeastern High School has been using the Seminole as nickname and many parts of their logo for as long as anyone associated with the school can remember and for a significant period of time with the blessing of members of Florida State University. *Id.*

²⁰⁴ See *Razorback*, 873 F. Supp. at 1291 (finding that despite significant evidence that the defendants might have used the plaintiff's mark in bad faith, the record was not absolutely clear and therefore no such conclusion could be drawn).

²⁰⁵ See *LAFRANCE*, *supra* note 26, § 3.02[B][2][d].

²⁰⁶ See *id.* (supporting the theory that sophistication of an ordinary consumer is typically less in those products that are sold to a broader demographic).

²⁰⁷ See *Halley*, *supra* note 9 (noting that the market for high school merchandise is basically limited to those people associated with students that go to that high school).

²⁰⁸ See *LAFRANCE*, *supra* note 26, § 3.02[B][2][d] (stating that courts typically raise the standard of confusion for consumers that have more knowledge and awareness of where and from whom they are buying goods); see also *Halley*, *supra* note 9 (discussing the fact that most high school merchandise is sold to family and friends of someone who is at the high school and therefore someone with knowledge of where the goods are coming from).

²⁰⁹ See *Stockton*, *supra* note 89 (highlighting the fact that football fans are very knowledgeable about their teams and colors and therefore not likely to confuse even similar logos if of a different color).

²¹⁰ See, e.g., *Razorback*, 873 F. Supp. at 1290–92 (discussing the other *Polaroid* factors but not the quality of the defendant's services).

²¹¹ See *LAFRANCE*, *supra* note 26, § 3.02[B][2][h] (mentioning that where price of the goods differs significantly, courts have found there to be less likelihood of confusion because the price should tip the consumer off to a difference in quality).

courts might say this reduces the likelihood of confusion.²¹² In sum, because high schools can make a strong argument against each factor courts use to determine trademark infringement, a collegiate plaintiff would face a significant challenge if a high school chose to litigate their rights.²¹³

B. Case Law Suggests Narrower Protection Against Trademark Infringement

By dissecting and analyzing the different *Polaroid* factors, it appears that the presumption for broad licensing rights is somewhat premature.²¹⁴ Weighing each factor individually, and absent a completely identical mark, many universities would likely face a tough legal battle to prove a likelihood of confusion exists between their goods and that of a high school.²¹⁵ Furthermore, although no case has denied an institution's claims of trademark infringement, courts have provided some language to hint that the ceiling is not as far away as trademark holders might want to believe.²¹⁶

In the 1989 ruling by the U.S. Court of Appeals for the Second Circuit, *Rogers v. Grimaldi*, the court held that although a likelihood of confusion existed, the public interest in freedom of expression outweighed the concern for consumer confusion.²¹⁷ This type of public interest balancing test, which is still binding precedent for the Second Circuit and has been narrowly adopted in other federal circuits, demonstrates that courts may look at the overall circumstances of a dispute in their rulings.²¹⁸ Under this framework, even in a situation in which a court could find a likelihood of confusion, a court might determine that the incredible cost to a high school for a somewhat undetermined gain to a college is grounds for allowing a public interest argument and finding

²¹² See *id.*

²¹³ See *supra* notes 169–212 and accompanying text.

²¹⁴ See Gibson, *supra* note 15, at 907–08. Gibson implies that almost all presumption of licensing rights should be halted because intellectual property doctrine, especially within the scope of trademark law, was enacted to create such a presumption of broad rights. See *id.* at 882–86.

²¹⁵ See *supra* notes 169–213 and accompanying text.

²¹⁶ See *infra* notes 217–228 and accompanying text.

²¹⁷ See 875 F.2d 994, 1004–05 (2d Cir. 1989) (holding that despite the likelihood of confusion because of a movie's title, the freedom of expression significantly outweighed the potential harm of consumer confusion).

²¹⁸ See *id.*; see also Rosenblatt, *supra* note 91, at 1071–72 (noting that the *Rogers* test still has precedential value and the other federal circuit courts have adopted similar approaches).

in favor of the high school.²¹⁹ Especially in cases in which a state university is threatening to bring suit against another state-funded educational institute, albeit one with significantly less economic resources, a court might be tempted to apply an even broader public interest test.²²⁰

Although the *Rogers* test might allow a court to set aside a situation where the junior user is likely to confuse a consumer, a more recent case involving a collegiate institution suggests that universities are about to face more stringent, narrower protection for registered marks.²²¹ In 2008, in *University of Kansas v. Sinks*, the university brought a trademark infringement suit in the U.S. District Court for the District of Kansas against a local business owner who was denied a license to produce officially licensed merchandise.²²² The business owner continued to operate a merchandise retail store selling tee shirts that both directly and indirectly referenced the university.²²³ After conducting a fact-intensive likelihood of confusion test, the court granted summary judgment on only four out of two hundred claims of infringement despite many of the tee shirts utilizing similar colors, phrases, and designs as the university's registered marks.²²⁴ Although this holding did present a victory of sorts for the university, it also presented one of the first challenges to the expansion of collegiate institutions' trademark rights by acknowledging that almost two hundred shirts were not obviously infringing despite significant similarities.²²⁵

Notwithstanding *Sinks*, colleges are still asserting their trademark and merchandising rights just as aggressively.²²⁶ Nevertheless, a closer look at the likelihood of confusion test, case law, and recent scholarly

²¹⁹ See Rosenblatt, *supra* note 91, at 1072–76 (arguing for the expansion of the *Rogers* public interest balancing test).

²²⁰ See Halley, *supra* note 9 (discussing the costs to a state-funded high school to avoid further legal action by a public university funded within the same state).

²²¹ See *Rogers*, 875 F.2d at 1005 (holding that even in the case where the use of an unlicensed mark might cause confusion, courts may take other interests under consideration); see also *Univ. of Kan. v. Sinks*, 565 F. Supp. 2d 1216, 1269 (D. Kan. 2008) (implying a limit to universities claims against non-licensed users).

²²² See 565 F. Supp. 2d at 1234–37.

²²³ See *id.*; see also Grady & McKelvey, *supra* note 34, at 237–38 (discussing the *Sinks* case and its application to collegiate licensing doctrine).

²²⁴ See *Sinks*, 565 F. Supp. 2d at 1265–69 (holding that only 4 of the possible 200 designs were available to summary judgment on infringement and the rest were a question of a material fact for a lower court to decide).

²²⁵ See Grady & McKelvey, *supra* note 34, at 237–38 (arguing that the *Sinks* case was actually a step back for collegiate licensing rights and put parties on more level footing with each other).

²²⁶ See Halley, *supra* note 9 (noting at least five recent high-profile disputes between colleges and high schools).

opinion suggest that collegiate institutions may be asserting their trademark rights too broadly.²²⁷ Applying the *Polaroid* factors to a potential infringement suit shows that a high school might be the best positioned defendant to challenge the expanding trademark rights of universities, both through law and public perception.²²⁸

V. LEVELING THE PLAYING FIELD, ALLOWING HIGH SCHOOLS AN EQUITABLE SOLUTION

Even though high schools might be the best suited to stop the “accretion” of college trademark rights, universities still have valid reasons to protect their intellectual property.²²⁹ If they allow high schools and other entities to widely use logos and other symbols too similar to their own, collegiate institutions risk diluting the identity of their marks, allowing abandonment claims, and potentially even subjecting themselves to reverse-confusion claims.²³⁰ Therein lies the crux of the problem: a university with something to gain is better positioned to fight a lawsuit than a high school that can only lose.²³¹ Nevertheless, as discussed previously, high schools are not without options.²³² Upon receiving a C&D letter, a high school has three options: (1) change the contested mark, (2) fight the lawsuit, or (3) settle with the university.²³³ This Part discusses all three options, and why a high school could and possibly should use the first two options to improve their bargaining position for the third.²³⁴

A. *Changing the Mark*

The quickest way to end a trademark dispute is simply to change the offending mark, regardless of the merits.²³⁵ In fact, in virtually

²²⁷ See Grinvald, *supra* note 17, at 643 (discussing the unreasonable interpretation of trademark rights by bigger corporations against third parties).

²²⁸ See *supra* notes 169–227 and accompanying text (analyzing a high school defendant under the likelihood of confusion factors laid out in *Polaroid*).

²²⁹ See *supra* notes 157–228 and accompanying text; see also Gibson, *supra* note 15, at 907–27 (discussing the accretion of rights in trademark law as a result of consumer perception).

²³⁰ See *supra* notes 25–86, 87–123 and accompanying text.

²³¹ See Read, *supra* note 13 (discussing the potential risks for high schools in using marks that universities claim are protected by federal trademark law).

²³² See *infra* notes 235–273 and accompanying text.

²³³ See *infra* notes 235–273 and accompanying text.

²³⁴ See *infra* notes 235–273 and accompanying text.

²³⁵ See, e.g., Abrahams, *supra* note 12 (reporting that Woodlands High School changed their logo to avoid further action from the University of Wisconsin).

every C&D letter, there is a request for the recipient to do so.²³⁶ That request, though easy for a university to make, is harder for a high school to accommodate.²³⁷

The monetary cost of changing a school's logos is high, potentially costing as much as 60,000 dollars just to change athletic uniforms and gym floors.²³⁸ Additionally, changing a high school's logo is a logistical nightmare—not to mention the emotional impact that switching logos has on a school.²³⁹ Just like universities, high schools have built up their own goodwill in their logos, a fact best illustrated by the fact that many high schools have begun to trademark their own logos and symbols and started their own licensing programs.²⁴⁰

Furthermore, many high schools question the principles of allowing a bigger institution to change the way they operate.²⁴¹ Given these concerns and the monetary costs of changing a logo, except in cases in which there is an obvious theft of intellectual property, a high school will likely be better off standing their ground at the outset.²⁴² In fact, the only thing that can be truly gained by changing the mark is cost-certainty.²⁴³

Conversely, by refusing to initially change the mark, a high school forces a collegiate institution to make a choice to pursue the claim,

²³⁶ See Iowa Letter, *supra* note 6 (requesting that the high school immediately discontinue use of the university's trademarks).

²³⁷ See Dave Weber, *Chrysler Softens Stance on Lake Mary High's Ram Jam*, ORLANDO SENTINEL EDUC. BLOG (Mar. 9, 2010), http://blogs.orlandosentinel.com/news_education_edblog/2010/03/chrysler-softens-stand-on-lake-mary-highs-ram-jam.html?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+SentinelSchoolZone+%28Sentinel+School+Zone%29 (discussing the logistical nightmare that the Lake Mary High School was facing in changing its logo and removing all traces of Rams heads that Chrysler claims were infringing upon their trademarked property).

²³⁸ See Block Interview, *supra* note 11 (estimating the cost to the school of removing the disputed mark solely from the basketball gymnasium floor at 15,000 dollars); see also Halley, *supra* note 9 (estimating that it will cost Glades Day High School 60,000 dollars to phase out their athletic uniforms over the next five years after a request made by the University of Florida).

²³⁹ See Abrahams, *supra* note 12 (discussing the negative emotional impact on students that changing the Woodlands High School logo has had).

²⁴⁰ See Halley, *supra* note 9 (reporting that high schools are starting to register their own logos and mascots to protect their rights to those items).

²⁴¹ See Stockton, *supra* note 89 (reporting that Southeast High School refused to settle with Florida State University in part because of the way the case had been handled).

²⁴² See *id.*; see also Halle Stockton, *FSU: Southeast High School Can Use Seminoles Logo*, SARASOTA HERALD-TRIB. (Nov. 12, 2010), <http://www.heraldtribune.com/article/20101112/BREAKING/101119916/-1/sports?Title=FSU-Southeast-High-can-use-Seminole-Logo> (reporting that Florida State University eventually came to favorable terms with Southeast High School as a result of their refusal to settle with the university at the outset).

²⁴³ See Block Interview, *supra* note 11 (discussing fixed costs of changing logos).

drop the claim, or negotiate.²⁴⁴ If the university chooses to move forward—sometimes a move they are contractually obligated to make—high schools might benefit both as individual entities and as a collective whole.²⁴⁵ Acting individually, the negative press associated with many of these cases benefits the bargaining position of the high school; the last thing a collegiate institution wants is drawn-out media coverage of a dispute.²⁴⁶ Collectively, the negative press informs the public, including other high schools, and helps to halt the accretion of trademark rights based solely on public perception by challenging that perception.²⁴⁷

B. *Fighting the Lawsuit*

As discussed in Part IV, high schools present many potential obstacles for collegiate institutions asserting their trademark rights.²⁴⁸ Applying the different factors courts use in a likelihood of confusion case, a high school has a significant chance of success.²⁴⁹ In spite of this potential success, the problem high schools face is their inherent risk aversion and their budget constraints, and by acting individually, a school is forced to think not of success but of survival.²⁵⁰

One potential strategy is for high schools to act collectively and form a joint-defense fund.²⁵¹ For instance, if the forty schools the University of Wisconsin sent C&D letters to each contributed 2500 dollars,

²⁴⁴ See Stockton, *supra* note 242 (reporting that Florida State University, after insisting that Southeast High School cease and desist from using claimed marks of the university, eventually settled and allowed the high school to continue to use the nickname and other marks associated with Florida State University as an official licensee).

²⁴⁵ See Lattinville, *supra* note 50, at 80–87 (discussing the contractual agreements between collegiate institutions and licensing agents); see also Gibson, *supra* note 15, at 907–27 (arguing that individual risk aversion leads to a presumption of a licensing right for trademark owners).

²⁴⁶ See Editorial, *Seminole Settlement*, SARASOTA HERALD-TRIB., Sept. 3, 2010, at A12 (arguing that the entire Southeast High School-Florida State University dispute was a public relations nightmare for the university).

²⁴⁷ See Gibson, *supra* note 15, at 907–27; see also Rosenblatt, *supra* note 91, at 1058 (arguing for a change to the license-don't-litigate culture that has formed).

²⁴⁸ See *supra* notes 157–228 and accompanying text.

²⁴⁹ See *supra* notes 157–213 and accompanying text.

²⁵⁰ See Gibson, *supra* note 15, at 912 (arguing that trademark law and consumer perception lend themselves to circular reasoning that ends with non-licensed users applying for licenses even when none is necessary).

²⁵¹ See Anna Wolfe, *On-line Retailers Sued for Patent Infringement*, FROMMEYER.COM, <http://www.frommeyer.com/news-08.html> (last visited Nov. 11, 2011) (reporting that a group of nearly fifty on-line retailers banded together to fight a frivolous trademark lawsuit aimed at small businesses who could not afford to litigate independently).

a 100,000 dollar legal fund could be established to fight such a suit.²⁵² Under this scenario, the fund could choose the high school that they feel most confident would win (e.g., the school that is the farthest away, with the most different color schemes, the longest use, etc.) and support that school as the test case.²⁵³ A victory for just one of the high schools would likely cause other universities to reexamine whether this practice is worth the potential cost.²⁵⁴ If Wisconsin chose to bring all forty into court, a public relations nightmare for a university, then the high schools could join their suits together and improve the bargaining position of the entire group.²⁵⁵

Even in the worst-case scenario of a loss, whether collectively or as individual entities, it is hard to imagine how the university could receive anything more than an injunction against high schools' use of the marks.²⁵⁶ Proving damages might actually be the toughest, and most costly, part of a lawsuit for a university.²⁵⁷ This fact serves as an impetus for collegiate institutions to negotiate or settle as well.²⁵⁸

C. *An Equitable Settlement*

The most obvious solution is a settlement.²⁵⁹ Thus far, in college-high school trademark disputes, no case has gone to trial, and for obvious reasons, there has yet to be a widely reported instance of a college backing away from a C&D letter.²⁶⁰ Yet, with that in mind, not all settlements are created equal.²⁶¹ High schools are best served by request-

²⁵² See Abrahams, *supra* note 12 (reporting that the University of Wisconsin sent 40 C&D letters to schools in 26 states asking them to change the "motion W" that Wisconsin claims to have exclusive trademark rights too).

²⁵³ Interview with Professor Alfred Yen, Bos. Coll. Law Sch., in Bos., Mass. (Jan. 17, 2011).

²⁵⁴ See *id.*

²⁵⁵ See *Seminole Settlement*, *supra* note 246 (addressing the public relations nightmare that these cases have become due to increased media coverage).

²⁵⁶ See *supra* notes 25–86 and accompanying text (discussing actual harm).

²⁵⁷ See *supra* notes 25–86 and accompanying text.

²⁵⁸ See *infra* notes 259–273 and accompanying text (encouraging settlements of high school-college disputes).

²⁵⁹ See Abrahams, *supra* note 12 (quoting assistant counsel for CLC who stated that "it has not reached the point where there has been any litigation" because thus far every reported dispute has eventually settled before going to court).

²⁶⁰ See *id.*

²⁶¹ See *id.* (highlighting five different settlements); see also Read, *supra* note 13 (noting the different settlements that have been agreed to).

ing settlements and using the strategies previously outlined to receive settlements that affect their own institutions the least.²⁶²

Examples of settlements can range from phasing-out plans to licenses that cost high schools as little as one dollar.²⁶³ The problem is that universities vary in what they determine to be an acceptable settlement.²⁶⁴ Although some schools like Georgia Tech have allowed high school licensees the use of their trademarked rights for as little as two dollars for every four years, other schools like the University of Missouri refuse to deal with outside licensees.²⁶⁵ Some schools like Kansas State charge different schools different amounts for nominal licenses.²⁶⁶ The problem with such a setup is that if a university is so concerned with potential legal issues, requiring different payments for licenses leaves an institution open to other potential legal claims and offers a higher risk that these licenses could eventually be challenged.²⁶⁷

A better solution is a uniform settlement that can govern all high school-college trademark disputes.²⁶⁸ This type of settlement should govern what uses the licensed marks can be used for, the term of the license, the parameters for renewing such a license, and the cost of that license.²⁶⁹ Given the range of settlements used in these disputes today, this author recommends that it would be in the best interests of both parties to charge one hundred dollars a year, or a similar amount considered valuable consideration, for a five-year term, automatically renewed except for a breach of agreement by either party, used only for the purposes of promoting the high school and its students.²⁷⁰

For universities, a uniform settlement will likely provide little in terms of monetary gain, but it will prevent public relations nightmares, directly resolve the fear of losing trademark control, and even avoid po-

²⁶² See *supra* notes 235–258 (discussing different options high schools can use to gain a better bargaining position).

²⁶³ See Abrahams, *supra* note 12 (discussing general settlements).

²⁶⁴ See *id.*; see also Read, *supra* note 13.

²⁶⁵ See Abrahams, *supra* note 12.

²⁶⁶ See *id.*; see also Halley, *supra* note 9.

²⁶⁷ See Iowa Letter, *supra* note 6 (noting the fear of losing control of trademarks and also of losing a potential cause of action under federal dilution protection).

²⁶⁸ See *infra* notes 269–70 and accompanying text.

²⁶⁹ See Read, *supra* note 13, at 12; Abrahams, *supra* note 12; *Seminole War*, *supra* note 2, at A12 (reporting on different settlements and the general terms of those agreements).

²⁷⁰ See Read, *supra* note 13; Abrahams, *supra* note 12; *Seminole War*, *supra* note 2, at A12 (noting different settlement packages). This Note combines previously reported settlements and makes recommendations based on common terms of settlements that would be considered moderate when looking at the best and worst settlements for each side.

tentially negative lawsuits.²⁷¹ For high schools, the cost and legal certainty of such a settlement should trump other concerns, as the practical effects of such an agreement would operate almost exactly as a courtroom victory would.²⁷² Although settlements that make high schools official licensees of collegiate institutions would help to maintain the perception that licensing is the collegiate institutions' exclusive right and therefore the market norm, a nominal license recognizes the importance of both brands, the high schools' and the colleges', without significantly impacting the rights of either.²⁷³

CONCLUSION

Although trademark rights of owners have expanded over the past quarter-century, it is unclear whether collegiate institutions have a legitimate trademark claim against a high school using a similar name, logo, or mascot. Statutory protection and case law have yet to put a true cap on collegiate institutions' trademark rights, and it appears that a high school defendant could test the ceiling. Looking at how courts have applied the *Polaroid* factors in trademark infringement cases, collegiate institutions could be asserting their rights too broadly against high schools.

Consequently, without a court verdict that definitely establishes the outer boundaries of trademark protection for collegiate institutions, most high schools continue to accept these assertions that they are infringers. This acceptance, bolstered by the lack of negative case law, has led to a presumption by both sides of strong collegiate trademark rights. The resulting effect is that when receiving a C&D from a collegiate institution, high schools are placed in a significantly worse bargaining position. Due to that belief, the cost uncertainty of litigation, and the finality of a settlement, even high schools with the strongest defenses usually opt to settle at the mercy of the bigger institution.

Nevertheless, as Southeast High School proved in their dispute with Florida State University, high schools do not have to blindly accept the trademark assertions of an institution with deeper pockets. Instead, by asserting their own rights and using negative press along with a col-

²⁷¹ See *Seminole Settlement*, *supra* note 246, at A12 ("nightmare"); see also Weber, *supra* note 237 (describing Chrysler's softened stance as a result of public backlash).

²⁷² See *Seminole Settlement*, *supra* note 246, at A12 (describing the rationale behind the settlement between Southeast and Florida State and the fact that Southeast still believes they hold the right to use the logos at dispute despite settling as a licensee).

²⁷³ See Gibson, *supra* note 15, at 907-27 (discussing the accretion of rights because of the assumption of licensing).

legiate institution's fear of a negative verdict, high schools can even the playing field and come to the negotiating table with more equal footing. Such a stance also serves to end the presumption-of-rights cycle by notifying both colleges and high schools that the bigger school does not have *carte blanche* to assert trademark rights against every high school with a similar logo or mascot.

Ultimately, the parties on both sides of these disputes have a lot to lose. Collegiate institutions need the ability to protect their trademarks against legitimate infringers without the fear of that infringer pointing to deals universities' have made with high schools. They also want to avoid looking like a "trademark bully" against a sympathetic defendant. Likewise, high schools do not have the time, money, or other resources available to deal with litigation, and changing a school's mascot or logo can have a profound impact on that community. In the end, a better practice would be to follow a uniform settlement agreement that allows high schools to keep their logos for a small fee as official licensees of the universities. This arrangement would allow both parties to keep their identities, while legally protecting both sides and keeping these disputes from casting a negative shadow on either institution.

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